

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17-BK-03283 (LTS)

(Jointly Administered)

**VERIFIED STATEMENT OF LUSKIN, STERN & EISLER LLP PURSUANT TO
THE PUERTO RICO RECOVERY ACCURACY IN DISCLOSURES ACT**

Luskin, Stern & Eisler LLP (“LS&E”), as special counsel to the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the sole Title III representative of the Commonwealth of Puerto Rico (the “Commonwealth”), the Puerto Rico Sales Tax Financing Corporation (“COFINA”), the Puerto Rico Highways and Transportation Authority (“HTA”), the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”), the Puerto Rico Electric Power Authority (“PREPA”), and the Puerto Rico Buildings Authority (“PBA,” and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the “Debtors”) in the above-captioned title III cases (the “Title III Cases”) pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act*

¹ The Debtors in these jointly-administered Title III Cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (iv) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) Last Four Digits of Federal Tax ID: 3808); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Buildings Authority (“PBA”) (Bankruptcy Case No. 19 BK 5223-LTS) (Last Four Digits of Federal Tax ID: 3801).

(“PROMESA”),² hereby submits this verified statement (this “Statement”) pursuant to the *Puerto Rico Recovery Accuracy in Disclosures Act*, Pub. L. 117-82 (“PRRADA”), Rule 2014(a) of the Federal Rules of Bankruptcy Procedure, and the *Order Approving List of Material Interested Parties Pursuant to the Puerto Rico Recovery Accuracy in Disclosures Act* [ECF No. 20467] (the “Order”).

Pursuant to the Order entered on March 30, 2022, the Court directed professionals seeking compensation in these Title III Cases to disclose any connections they may have with the list of individuals and entities identified as material interested parties (“MIPs”) attached as Exhibit A to the *Notice of Filing of Amended List of Material Interest Parties Pursuant to Puerto Rico Recovery Accuracy in Disclosures Act* [ECF No. 20458] (the “Amended MIP List”).

In support of this Statement, LS&E hereby submits the declaration of Michael Luskin (the “Luskin Declaration”) attached hereto as Exhibit A and respectfully states as follows:

1. Except as set forth in the Luskin Declaration, LS&E does not represent or have any other connection with any MIP on the Amended MIP List.
2. LS&E will supplement this statement if any facts or material developments are discovered regarding LS&E’s relationship to any MIP that require additional disclosure.

LS&E hereby verifies that the foregoing Statement is true and correct to the best of its information, knowledge, and belief.

² PROMESA has been codified in 48 U.S.C. §§ 2101-2241.

Dated: White Plains, New York
May 16, 2022

Respectfully submitted,

/s/ Michael Luskin

Michael Luskin (admitted *pro hac vice*)
Lucia T. Chapman (admitted *pro hac vice*)
Stephan E. Hornung (admitted *pro hac vice*)

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*Special Counsel to the Financial Oversight
and Management Board for Puerto Rico*

Exhibit A

Declaration of Michael Luskin

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17-BK-03283 (LTS)

(Jointly Administered)

**DECLARATION OF MICHAEL LUSKIN IN SUPPORT OF VERIFIED STATEMENT
OF LUSKIN, STERN & EISLER LLP PURSUANT TO
THE PUERTO RICO RECOVERY ACCURACY IN DISCLOSURES ACT**

I, Michael Luskin, pursuant to 28 U.S.C. § 1746, hereby declare that the following is true and correct to the best of my knowledge, information, and belief:

1. I am an attorney admitted to practice before the United States District Court for the Southern District of New York and am admitted *pro hac vice* before this Court. I am a member of the law firm of Luskin, Stern & Eisler LLP (“LS&E”), with offices located at 50 Main Street, White Plains, New York 10606. I am duly authorized to make this declaration (the “Declaration”) on behalf of LS&E.

¹ The Debtors in these jointly-administered Title III Cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (iv) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) Last Four Digits of Federal Tax ID: 3808); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Buildings Authority (“PBA”) (Bankruptcy Case No. 19 BK 5223-LTS) (Last Four Digits of Federal Tax ID: 3801).

2. This Declaration is made in support of the Verified Statement of Luskin, Stern & Eisler LLP Pursuant to the Puerto Rico Accuracy in Disclosures Act, dated May 16, 2022 (the “Statement”),² disclosing connections LS&E has to MIPs as required under PRRADA. Unless otherwise stated in this Declaration, I have personal knowledge of all of the facts set forth herein.

3. LS&E is special counsel to the Oversight Board as representative of the Debtors in these Title III Cases pursuant to Section 315(b) of PROMESA.

4. As set forth in the engagement letter dated October 4, 2016 (the “Engagement Letter”),³ the Oversight Board retained LS&E to represent the Oversight Board in connection with litigation in this Court seeking to lift the automatic stay imposed by PROMESA, seven months before these Title III Cases were commenced.⁴ After the commencement of these Title III Cases, LS&E continued to provide services to the Oversight Board.

Disclosure Procedures

5. It is the policy of LS&E that no new client matter may be approved absent a thorough review of potential conflicts, including searches of the firm’s client database (the “Database”). The Database is updated as new matters are opened and is maintained in LS&E’s regular and ordinary course of business. The Database is designed to include every matter on which the firm is now and has been engaged, by which entity the firm is now or has

² Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Statement.

³ A copy of the Engagement Letter is available on the Oversight Board’s website at <http://oversightboard.pr.gov/documents>.

⁴ Unlike in cases commenced under the Bankruptcy Code, professionals retained by the Debtors and the Oversight Board do not require court authorization for retention. *See* PROMESA § 301(a) (omitting Bankruptcy Code sections 327 and 328 from incorporation into PROMESA).

been engaged and, in each instance, the identity of related parties and adverse parties and certain of the attorneys in the firm that are knowledgeable about the matter.

6. In connection with the preparation of the Statement and this Declaration, I, or someone working under my supervision, conducted an extensive review of LS&E's Database and professional contacts for connections with the MIPs on the Amended MIP List. Additionally, each senior partner and each relationship partner at LS&E personally reviewed the Amended MIP List to identify any connections. Finally, each partner and employee of LS&E was provided a subset of the Amended MIP List⁵ including the Debtors, the former Oversight Board executive director,⁶ the Oversight Board's members and staff, the United States Trustee (the "U.S. Trustee") and anyone employed in the Office of the U.S. Trustee for the District of Puerto Rico, the Judges of this Court, and the members of the Official Committee of Unsecured Creditors and the Official Committee of Retired Employees of Puerto Rico (together, the "Statutory Committee Members"), and asked whether he or she (i) is related to or has a connection to any such party or (ii) holds or represents any interest adverse to such party. To the extent that LS&E's review indicated that LS&E has a relationship with any MIP, each such MIP and a brief description of LS&E's relationship with each such MIP is set forth on Schedule 1 to this Declaration.

Disinterestedness

7. To the best of my knowledge and belief, insofar as I have been able to ascertain after due inquiry, none of the partners or employees of LS&E (i) is related to the Debtors, the

⁵ The subset of the Amended MIP List provided to LS&E's partners and employees includes Schedules 1, 2, 3, and 6 of the Amended MIP List.

⁶ Natalie A. Jaresko served as the Executive Director of the Oversight Board from her appointment prior to the commencement of these Title III Cases through April 1, 2022. The position of Executive Director of the Oversight Board is currently vacant.

former Oversight Board executive director or any of the Oversight Board's members or staff, the U.S. Trustee or anyone employed in the Office of the U.S. Trustee for the District of Puerto Rico, any of the Judges of this Court, or any Statutory Committee Members, or (ii) represents or holds an adverse interest in connection with these Title III Cases, except that LS&E is connected with the Oversight Board and other MIPs listed on the Amended MIP List by virtue of its retention by the Oversight Board in connection with these Title III Cases.

8. To the best of my knowledge, LS&E, its partners, and its employees (i) are not and were not during these Title III Cases a creditor, an equity security holder, or an insider of any MIP; (ii) are not and were not, within 2 years before the commencement of these Title III Cases or during these Title III Cases, a director, officer, or employee of any MIP; and (iii) do not have an interest materially adverse to the interest of any MIP by reason of any direct or indirect relationship to, connection with, or interest in, any MIP listed on the Amended MIP List, or for any other reason. Based upon information available to me, LS&E is a disinterested person within the meaning of Section 101(14) of the Bankruptcy Code relative to any MIP listed on the Amended MIP List.

Connections to MIPs

9. To the best of my knowledge and belief, except as set forth on Schedule 1 to this Declaration, LS&E (i) does not represent and has not represented any MIP or any affiliate thereof, and (ii) has not previously retained, engaged, or used and does not currently engage or retain as professionals or use as vendors any MIP.

10. None of the services that were or will be provided during the course of LS&E's relationships with its current or former clients, retained professionals, or vendors listed as MIPs on the Amended MIP List and as set forth on Schedule 1 to this Declaration: (i) is connected in

any way to these Title III Cases or any matters for which the Oversight Board has retained LS&E; (ii) has had or will have an impact or conflict with or be adverse to the rights of the Debtors or the Oversight Board in these Title III Cases; or (iii) has compromised or will compromise LS&E's ability to provide services to the Oversight Board in these Title III Cases. Based upon the foregoing, LS&E does not represent or hold an adverse interest in connection with these Title III Cases.

11. As set forth on Schedule 1 to this Declaration, LS&E may represent or has represented interests adverse to certain of the Debtors' creditors and other MIPs in matters unrelated to these Title III Cases. Further, LS&E may have engaged, been engaged by or had mutual clients with, may currently be engaging, be engaged by or have mutual clients with, and may in the future engage, be engaged by or have mutual clients with certain law firms, financial advisors, accounting firms and other professionals listed as MIPs on the Amended MIP List, in matters unrelated to these Title III Cases.

12. LS&E's former clients and their affiliates, officers, directors, principal shareholders, and their respective affiliates may have had relationships with MIPs of which LS&E was not informed or, subsequent to the performance of LS&E's services for such former clients, may have developed relationships with such parties of which LS&E is unaware.

13. LS&E may in the future represent or engage one or more MIPs that are not current or former clients, retained professionals, or vendors of LS&E. To the extent that LS&E discovers any such information or needs to update the information disclosed in this Declaration, LS&E will disclose such information by filing a supplemental declaration pursuant to Bankruptcy Rule 2014.

Dated: White Plains, New York
May 16, 2022

/s/ Michael Luskin
Michael Luskin (admitted *pro hac vice*)

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Schedule 1¹

LS&E's Connections to MIPs

MIP	Nature of Interest Pursuant to Amended MIP List	Connection with LS&E²
Abengoa S.A.	Schedule 8 – Material Creditor: PREPA	Former adverse party in connection with representation of a non-MIP client in a matter unrelated to and following the commencement of the Title III Cases
ACP Master, Ltd.	Schedule 8 – Material Creditor: Commonwealth, ERS, PREPA, HTA Schedule 9 – Inactive Claimant: COFINA	Former adverse party in connection with representation of a non-MIP client in a matter unrelated to and prior to the commencement of the Title III Cases
Ankura Consulting Group, LLC	Schedule 4 – Retained Professional: Commonwealth, PREPA Schedule 5 – Financial Advisor/Consultant to Other Party in Interest: Commonwealth	Current retained professional on behalf of a non-MIP client in a matter unrelated to the Title III Cases
Aurelius Capital Management, LP	Schedule 7 – Plan Support Agreement Party: Commonwealth, PBA	Former adverse party in connection with representation of a non-MIP client in matter unrelated to and prior to the commencement of the Title III Cases
Brown Rudnick LLP	Schedule 4 – Retained Professional: Commonwealth, ERS, HTA, PREPA	Current adverse party in connection with representation of a non-MIP client a matter unrelated to the Title III Cases
Citigroup Global Markets Inc.	Schedule 4 – Retained Professional: Commonwealth, ERS, PBA, PREPA, HTA	Affiliate of current clients in matters unrelated to the Title III Cases Affiliate of current vendors

¹ Certain of the MIPs in this Schedule A are affiliates of LS&E's current or former clients, retained professionals or vendors and are being disclosed out of an abundance of caution.

² LS&E considers its connection to any MIP disclosed herein as "current" if such connection exists and is ongoing as of the date of filing of the Statement and Declaration. LS&E's former connections to any MIP that occurred or was ongoing following the commencement of these Title III Cases are specified as such herein.

MIP	Nature of Interest Pursuant to Amended MIP List	Connection with LS&E ²
Drivetrain, LLC	Schedule 6 – Statutory Committee Member	Former adverse party in connection with representation of a non-MIP client in a matter unrelated to and following the commencement of the Title III Cases
Duff & Phelps LLC	Schedule 4 – Retained Professional: Commonwealth, ERS, PREPA, HTA	Former adverse party in connection with representation of a non-MIP client in a matter unrelated to and prior to the commencement of the Title III Cases
FTI Consulting	Schedule 4 – Retained Professional: Commonwealth, ERS, PBA, PREPA, HTA	Current retained professional on behalf of non-MIP clients in matters unrelated to the Title III Cases
Goldin Associates, LLC	Schedule 7 – Financial Advisor to Plan Support Agreement Parties: Commonwealth, PBA, HTA	Former client in a matter unrelated to and prior to the commencement of the Title III Cases; Former retained professional on behalf of a non-MIP client in a matter unrelated to and following the commencement of the Title III Cases; and Served as financial advisor to chapter 11 trustee represented by LS&E in matters unrelated to and prior to the commencement of the Title III Cases
Kasowitz Benson Torres LLP	Schedule 7 – Counsel to Plan Support Agreement Parties: PBA Schedule 9 – Counsel to Inactive Claimants: Commonwealth, HTA	Former adverse party in connection with representation of a non-MIP client in a matter unrelated to and prior to the commencement of the Title III Cases
Morrison & Foerster LLP	Schedule 7 – Counsel to Plan Support Agreement Parties: Commonwealth, ERS, PBA, PREPA Schedule 8 – Counsel to Material Creditor: Commonwealth, PREPA	LS&E retained a Morrison & Foerster LLP attorney as a mediator in matters unrelated to and following the commencement of the Title III Cases

MIP	Nature of Interest Pursuant to Amended MIP List	Connection with LS&E²
	Schedule 9 – Counsel to Inactive Claimant: ERS, PREPA, HTA, COFINA	
Nortel Networks (Cala), Inc.	Schedule 5 – Material Creditor: Commonwealth	Affiliate of former client in a matter unrelated to and prior to the commencement of the Title III Cases
Santander Asset Management, LLC	Schedule 9 – Inactive Claimant: Commonwealth, COFINA	Affiliate of current client in matters unrelated to the Title III Cases
ScotiaBank de Puerto Rico	Schedule 8 – Material Creditor: Commonwealth, HTA Schedule 9 – Inactive Claimant: Commonwealth	Affiliate of current client in matters unrelated to the Title III Cases
The Bank of Nova Scotia (ScotiaBank)	Schedule 9 – Inactive Claimant: Commonwealth	Current client in matters unrelated to the Title III Cases
Simpson Thacher & Bartlett LLP	Schedule 8 – Counsel to Material Creditor: PREPA Schedule 9 – Counsel to Inactive Claimant: Commonwealth, COFINA	Former client in a matter unrelated to and prior to the commencement of the Title III Cases
Sola Ltd	Schedule 8 – Material Creditor: PREPA	Former adverse party in connection with representation of a non-MIP client in a matter unrelated to and following commencement of the Title III Cases
Stewart Title Guaranty Co-Master	Schedule 8 – Material Creditor: PREPA	Affiliate of current vendor
The Travelers Indemnity Company	Schedule 8 – Material Creditor: Commonwealth	Former client in a matter unrelated to and following the commencement of the Title III Cases
Ultra Master Ltd.	Schedule 8 – Material Creditor: PREPA	Former adverse party in connection with representation of a non-MIP client in a matter unrelated to and following the commencement of the Title III cases
Unum Life Insurance Company of America	Schedule 8 – Material Creditor: PREPA	Current vendor

MIP	Nature of Interest Pursuant to Amended MIP List	Connection with LS&E²
Vitol Inc.	Schedule 8 – Material Creditor: PREPA Schedule 9 – Inactive Claimant: PREPA	Former adverse party in connection with representation of non-MIP clients in matters unrelated to and following the commencement of the Title III Cases
Wilmington Trust, National Association	Schedule 9 – Inactive Claimant: Commonwealth, ERS, PREPA, HTA	Affiliate of current clients in matters unrelated to the Title III Cases
Zolfo Cooper, LLP (acquired by AlixPartners LLP)	Schedule 4 – Retained Professional: Commonwealth, ERS	AlixPartners LLP is a current retained professional on behalf of non-MIP clients in matters unrelated to the Title III Cases